



Valuation Report:

Old Lane, Holbrook Industrial Estate, Halfway, Sheffield
S20 3GZ

MR KEITH SENIOR

SMC Brownill Vickers represents a multi-faceted firm of Chartered Surveyors, Valuers & Property Agents. The practice focuses on providing lease advisory, real estate management, investment, transactional & agency expertise as well as valuation services across all property sectors. A company of values since 1884.

Valuation Report

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1. Instruction

This valuation report has been prepared following receipt of instructions from Mr Keith Senior, Qualimach, Unit 4B Sheepbridge Lane, Chesterfield S41 9RX dated 6th January 2022. The valuation is prepared for internal management purposes for Mr Keith Senior.

An inspection of the property has been undertaken which now enables us to give our views and opinion of Market Value. A full property survey was not undertaken as this was beyond the scope of our instructions.

2. Conflict of Interest

SMC Brownill Vickers does not have a conflict of interest in accepting these instructions. We can confirm that we are independent and are quite satisfied that there is no conflict of interest in accepting these instructions.

We can confirm that SMC Brownill Vickers have in place appropriate Professional Indemnity Insurance in respect of this valuation. We can confirm that we hold a policy at a level of £5,000,000 for each and every claim, capped at our opinion of Market Value.

3. Purpose of Report & Valuation

The valuation of the property is prepared for internal management purposes by SMC Brownill Vickers, acting as external valuers.

This valuation is prepared in accordance with the Valuation Professional Standards of the Royal Institution of Chartered Surveyors (the Red Book), for the sole purpose of assisting the client as indicated above.

In accordance with your instructions, we have provided opinions of value on the following basis.

Market Value (MV1) – The Market Value of the property, in its current physical condition.

Our instructions are to prepare a Market Value of the property which is defined in the RICS Valuation - Global Standards 2022 (The Red Book) as “The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The valuation has been prepared in accordance with the RICS Red Book and the property has been valued to conform to the requirements of the Practice Statements contained therein.

The report is intended for the named client only and SMC Brownill Vickers offer no warranty whatsoever to any party other than the named client.

We have been asked to carry out a valuation only and therefore we have not carried out a full property / building survey.

4. Scope of Enquiries and Investigations

We were instructed to carry out an internal / external inspection of the property and site. Our inspection of the property was undertaken on Tuesday 21st June 2022 by Mr Chris Stott MRICS.

A full site survey was not undertaken as this was beyond the scope of our instructions.

In carrying out this instruction we have undertaken verbal / web based enquiries referred to in the relevant sections of this report. We have relied upon this information as being accurate and complete. In this report, if we have been provided with information by the Customer, its advisors and / or other third parties, we have relied upon this information as being materially correct in all aspects.

In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from the lack of information are also set out in the relevant section of this report.

5. Date of Valuation

31st July 2022

6. Location

Sheffield is the main commercial, administrative, and retailing centre in South Yorkshire. The city is located approximately 175 miles (282 km) north of London, 38 miles (61 km) east of Manchester and 37 miles (60 km) south of Leeds.

The city benefits from excellent road communications being located 4 miles from junction 33 of the M1, linking into the national motorway network.

The city is well served by the rail network with regular and direct services to London with a fastest journey time of just over 2 hours, to Manchester with a fastest journey time of approximately 50 minutes and Leeds with the fastest journey time of approximately 40 minutes.

Sheffield also benefits from one of the most modern public transport systems in the UK. Its Supertram, light railway and local bus network ensures traffic runs smoothly throughout the centre, making Sheffield one of the least congested cities in the UK.

Sheffield boasts a large catchment population of approximately 637,000 people with the population set to increase substantially over the next 25 years. This is increased by circa 60,000 university students who live and work within the city.

Historically, the city was built on 'smoke stack' industries including coal and steel, but over the past 50 years the city has become a major centre for education with two universities (Sheffield University and Sheffield Hallam) and several colleges. Sheffield has also grown in repute as being centre for medicine.

Sheffield is famously known for its cutlery production and there is a broad general engineering base but like many other industrial cities there are increasing employment trends into the service sector.

Due to its attractive centre and surrounding countryside, Sheffield is a tourism hub, with an estimated 20 million visitors to the county per annum. Visitors to the city enjoy the Crucible Theatre, the Winter Gardens, and the surrounding Peak District.

The property itself is located at Halfway, a suburb of Sheffield approximately six miles south-east of Sheffield City Centre and some three miles from Junction 31 of the M1 motorway. Chesterfield is eight miles due south and Rotherham approximately ten miles north.

The area provides easy access to the neighbouring residential areas of Mosborough and Halfway with transport links to the M1 motorway and arterial routes into Sheffield including the A57, via the B6053 Eckington Way.

The area is also linked to the city centre by the Supertram system, with both the Halfway and Westfield stops being close to the extensive industrial area of which the subject property forms part, and which includes Meadowbrook Park and Holbrook Industrial Estate (which the subject property is located within). It is on the South Yorkshire coalfield, close to the former mining townships of Aston, Killamarsh, Eckington and Wales.

The extensive industrial area has been developed from the early 1960's, but mostly from the 1990's onwards. The various estates are accessed off the B6053 and the B6058 roads, with the industrial areas being immediately to the west of Rother Valley Country Park.

In a micro context the property is accessed from Station Road (B6058) off Old Lane, the spine road of the estate, and is situated at the end of the road. The access to the site is relatively constrained, especially for larger vehicles.

Site and location plans are attached to the rear of this report.

7. Description

The subject property provides three separate buildings, being two warehouses and one single storey ancillary office block.

The smaller of the two warehouses (Warehouse 1) provides a two-bay reinforced concrete portal framed warehouse on a concrete plinth. The walls are of brickwork construction to a height of approximately 1.5m, with part panelled profile asbestos sheet elevations above. The roof is also of profile asbestos sheets, with translucent roof lights to approximately 10%. The roof lights are cloudy however and the level of natural light within the warehouse is limited. Sodium lighting units are suspended from the roof. A single electrically operated roller shutter door provides access into the building from the yard. Each of the two bays is fitted with a 4 ton travelling crane, while a 10 ton crane is installed at the entrance, although this is static. The eaves height is 4.70m. No heating system is installed.

The larger of the two warehouses (Warehouse 2) is a single bay steel framed warehouse on a concrete plinth with steel roof trusses. The elevations and roof are of profile asbestos sheeting, above brickwork walling to approximately 1.5m. Translucent roof panels are incorporated into the roof to approximately 5%. Sodium lighting units are suspended from the roof. Access into the unit is via a single roller shutter door from the main yard. The eaves height is circa 7m. A 15 ton travelling crane is installed. A warm air blower is provided.

The ancillary office building is a single storey cavity wall constructed structure of brickwork under a flat roof. The windows are double glazed, and timber framed and have security shutters fitted. The building is centrally heated using a gas fired water filled system. The building provides two rooms that are used as open plan office space, male and female WC facilities with shower and a kitchen. The walls and ceilings are plastered and painted, with surface mounted fluorescent lighting units to the ceiling. The floor is of suspended timber and is carpeted.

Externally the property provides a central concrete / tarmac yard and to the western end of the site there is a grassed area. The site occupies a relatively regular shaped site and is under part freehold and part long leasehold title.

The grassed area could potentially be developed to provide additional warehousing; however, the site access, as above, is currently awkward from Old Lane, and it is unlikely that additional development will be viable or permitted without this issue being addressed.

Photographs of the property as at the date of valuation are attached to the rear.

8. Accommodation

The accommodation briefly comprises the following.

| Description | BASIS OF MEASUREMENT GIA | |
|-----------------|--------------------------|---------------|
| | Sq m | Sq ft |
| | | |
| Warehouse 1 | 426.4 | 4,589 |
| Warehouse 2 | 504.4 | 5,429 |
| Office Building | 80.2 | 863 |
| | | |
| Total | 1,011 | 10,881 |

9. Condition

A detailed building survey on the property has not been carried out nor have the services been tested. We assume that you will commission a more detailed survey should you consider it necessary or desirable.

It is stressed that we have not inspected those parts of the property which are covered, unexposed, or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts.

We have not tested any of the drains or other services, and for the purpose of this valuation we have assumed that they are all operating satisfactorily, and no allowances have been made for replacement or repair.

The property is considered in a reasonable condition commensurate with its age and use.

We have assumed that the property is free from any structural faults, and we assume that the property has the appropriate and necessary structural supports incorporated and any works have been approved by Building Control.

In our opinion, the building has a useful economic life in excess of 25 years, assuming normal maintenance and repair.

10. Statutory Enquiries

I. Planning

We have made online enquiries with the Sheffield City Council planning department and the information obtained is assumed to be correct.

We assume that there is planning consent for the current use under an E Use Class (formally B1, B2 and B8).

We do not foresee any planning issues and are not aware of any historic planning applications involving the unit. The property is purpose built industrial and has not been extended or altered.

II. Property Listing / Conservation Area / Green Belt

The property is not listed nor is it situated within a Conservation Area or the Green Belt.

III. Energy Performance Certification

We have been unable to identify an Energy Performance Certificate (EPC) in relation to the property.

For the purposes of this valuation, we have assumed that any EPC would not be below the current Minimum Energy Efficiency Standards (MEES), which became effective on 1st April 2018.

IV. Fire Precautions

The premises will need to comply with the Fire Regulatory Reform Order Regulations covering statutory fire prevention in commercial property. Under this legislation the duty holder or a responsible person must carry out a fire risk assessment and lodge such information in a manual for inspection by the fire officer.

The Fire Risk Assessment is based on the use of the premises and not something which is transferred between occupiers of properties. A manual was not seen at the time of our inspection, and one should be commissioned, if not in existence.

For the purposes of the valuation, we have assumed that the property complies with the necessary fire regulations.

V. Control of Asbestos Regulations

No tests have been carried out to establish whether high alumina cement products, calcium chloride, asbestos or wood wool slabs are used in the structural framework, or any other deleterious materials have been used in the construction, modification, or extension of the building.

The associated costs of maintaining, repairing, or altering a building with asbestos can be significantly higher because of the need for specialist contractors and precautions that are necessary under the Control of Asbestos Regulations 2006, and this can impact on the value of a property.

All owners / occupiers of non-domestic properties are required to provide a record of an inspection to verify whether or not any forms of asbestos are present in the property, under the Control of Asbestos Regulations (2012).

The property is of an age where Asbestos containing materials have been used in its construction.

VI. Highways

The property has access on to Old Lane which is adopted and maintained at public expense.

We are not aware of any highway alterations or diversion proposals for this area which would have a detrimental effect on the property.

VII. Disability Discrimination

The Equality Act 2010 has largely replaced the Disability Discrimination Act 2005. With regard to the disability, the Act imposes a duty to employers and businesses offering a service to the public to make reasonable changes to enable disabled people to do their jobs or remove or alter any feature that makes it impossible, or unreasonably difficult, for a disabled person to make use of the services provided.

The duty of compliance with the Act will rest with the occupier. Compliance in the absence of an Accessibility Audit can only be confirmed by specialists. We have specifically assumed that there are no significant or costly changes required to the premises to comply with the act.

VIII. Business Rates

| Unit | Description | RV 2017 |
|---|---------------------|---------|
| Qualimach Ltd Workshops, Holbrook Industrial Estate, Halfway, Sheffield S20 3GZ | Workshop & Premises | £33,250 |

11. Services

We understand that the property benefits from all mains services including mains electricity, gas, and water. We also understand that the property drains into the public sewer.

Our attention was not drawn to any defects although SMC Brownill Vickers has not undertaken any testing of the services and we would advise that we have assumed that these are to a certifiable standard and in full working condition.

12. Site & Ground Conditions

The property sits on a relatively regular shaped site of approximately 0.47 ha (1.16 acres) or thereabouts.

We have used the Environment Agency's Indicative Flood Plain Maps to provide a general overview of lands in natural floodplains and therefore potentially at risk of flooding from rivers or the sea. The maps use the best information available, based on historical flooding records and geographical models. They indicate where flooding from rivers, streams, watercourses, or the sea is possible. According to the Environment Agency Website the Property is located within Flood Zone 1, an area with a low probability of flooding.

There is also a risk of flooding created by heavy rainfall where the provision and proximity of drains and sewer facilities are inadequate. For the purpose of this report we have assumed, unless indicated to the contrary, that enquiries would not disclose any evidence of historical pluvial flooding, relating to the drainage of surface water or ground water flooding.

The Wildlife and Countryside Act 1981 now includes 38 different non-native invasive plant species, one of the most significant and damaging for property is Japanese Knotweed (*Fallopia Japonica*) which can cause physical damage to buildings and hard surfaces. Under the Act it is an offence to plant it or otherwise cause it to grow in the wild.

In addition, the Environmental Protection Act 1990 classifies knotweed material and soil containing rhizome material as controlled waste and must be disposed of safely at a licensed landfill site, if removed from the site of origin.

Landowners can be sued for costs and damages if they fail to prevent knotweed from spreading to a neighboring property. Also, failure to manage and dispose of Japanese knotweed responsibly may lead to prosecution.

From our inspection of the property, we can confirm that we did not record the presence of Japanese knotweed.

The Health Protections Agency's radon map indicates the property is located in an area where radon gases have been recorded at very low levels. Therefore, there is an increased likelihood of radon posing a risk to health. Further information can be obtained from the Health Protection Agency (www.hpa.org.uk). Our valuation assumes that no material or costly adaptations are required as a result of any radon issues.

13. Environmental Issues

Due to the use of the property and surrounding land uses we have no reason to instigate an Environmental Audit. The property is however located in an area which has been utilised for industrial purposes for a number of years, and also in a former mining area.

Our valuation assumes that the site is free from latent contamination that would adversely affect the property.

Our inspection was only of a limited visual nature, and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated sub-soils or ground waters. We have specifically assumed that the site is free from contamination. In the event of contamination being discovered, further specialist advice should be obtained.

14. Tenure

We understand that the property is currently held on two Titles; with one being held on a freehold basis, and the other being held on a long leasehold basis.

The long leasehold element, which is the front part of the site and adjoining Old Lane extends in total to approximately 0.45 acres, with warehouse 1 and the office building within this title, as well as part of the warehouse 2.

The long lease is for a term of 99 years with effect from 1st December 1961, meaning that there is only 38.5 years unexpired.

We have not had sight of a report on title and have assumed that the interest is clear and free of any unusual or especially onerous easements, outgoing, or restrictive covenants.

We recommend that solicitors clarify this in the course of their usual enquiries. Should any issue arise, that may affect value we strenuously recommend that this is referred back to the valuer for determination as to whether or not this affects the value.

15. Occupational Leases

We understand that the current tenant has been in occupation for some 20 years. We have not been provided with details of the current agreement or the passing rent.

16. Market Trends & General Comments

UK GDP surprised on the upside in May, growing by 0.5% m/m, following a 0.2% decline in April. However, the ONS noted that the timing of the May bank holiday may have led to some volatility in the data. A contraction in Q2 GDP is still likely given the reduced number of working days in June. However, at 53.7, the UK PMI remained above the 50 mark that separates growth from contraction, suggesting that so far the economy is holding up.

Rising inflation, the cost of living crisis and record low consumer confidence all pose headwinds to economic growth. Given ongoing labour market strength and predicted double-digit inflation, a growing number of economic forecasters expect the Bank of England to raise interest rates to at least 2.00% by the end of the year. Driven by higher than expected US inflation figures, the GBP/USD exchange rate has fallen below 1.20 at the start of July, down from 1.35 at the beginning of the year. Gilt yields have risen from 0.98% at the start of the year to a high of 2.65% in June but have since moderated to sub 2.20% levels in the middle of July.

On a commercial property front, monthly investment volumes rose from May's £3.8bn to £4.6bn in June, which is only slightly below the five-year monthly average of £4.9bn. The £29.6bn transacted during the first half of the year is ahead of the 2021 figure (£27.5bn) and well above the five-year H1 average of £25.7bn. Cross border capital accounted for half of all investment volumes in H1 2022. Offices was the most sought after sector in June, with £1.7bn invested, followed by industrial at £1.1bn. At £140m, retail investment activity was very limited.

Industrial investment volumes broke through the £1bn mark for the first time in three months in June. At the half-year mark, industrial investment stands at over £7bn. While this is down from the corresponding 2021 figure of £8bn, it beats all other H1 figures recorded. Amongst some of the largest deals in June, Frasers Logistics & Commercial Trust committed to a £101m forward funding investment for the development of a new 668,000 sq ft distribution centre at Ellesmere Port which has been pre-let to Peugeot. Elsewhere, BentallGreenOak purchased a 486,600 sq ft site at Wednesbury's Richardson's Parkway for £91m at 2.88% IY, and BlackRock UK Property acquired the 172,000 sq ft UK logistics development project Zephyr Park in Dagenham for £82m at 3.85% IY. June's MSCI index suggests that yields are stabilising.

Sheffield itself is commercial centre for South Yorkshire. Sheffield's location at the heart of the UK's road network, together with its proximity to six airports and the Humber and Liverpool container ports make it an important industrial and logistics hub. Key warehouse occupiers in the local market include Amazon, B&Q, and IKEA.

The area benefits from motorway connections to key routes including the M1, M62 and M18, which make large swathes of the UK's population reachable in just a couple of hours drive time. Key warehouse occupiers in Sheffield Core include Clipper Logistics, Great Bear and Royal Mail.

Industrial investors have been very active in the capital markets in Sheffield Core, making it one of the most heavily traded industrial areas in the region over the past several years. Annual sales volume has averaged £51.3 million over the past five years, and the 12-month high in investment volume hit £109 million over that stretch. In the past 12 months specifically, £79.0 million worth of assets sold.

Market pricing, derived from the estimated price movement of all industrial assets in the submarket, sat at £74/SF during the second quarter of 2022. That figure is up from this time last year, and that brought pricing roughly in line with the overall average for the wider Sheffield area. The market cap rate has ticked up in the past 12 months to 6.3%, and it's fairly similar to the metro average. While the rate is up from this time last year, it remains below the five-year average.

Local occupier market conditions have softened a little in recent quarters, counter to the national trend. Net absorption was negative in 2021, following several moveouts from mid-sized warehouses, which pushed vacancies upwards following two years of declining voids. The local industrial vacancy rate is expected to rise further in the coming months following speculative deliveries at Ergo Park (190,000 SF) and Total Park (110,000 SF). The longer-term outlook is for vacancies to remain relatively stable with demand and supply well balanced.

Transaction activity moderated last year, for the first time since 2017 and likely due to a lack of available investment stock. Sales volumes were boosted in the first half of the year by ABRDN's acquisition of a Royal Mail-led distribution facility for £20 million, as part of a four-strong portfolio including other Royal Mail and DPD logistics warehouses in Leeds, Peterborough, and Swindon.

The latest RICS UK Commercial Property Survey results suggest that there continues to be a strong sector skew to the performance of the market with industrials / logistics still keenly sought after even at higher prices while data centres and multifamily are also still attracting considerable interest. But alongside this, there are now signs emerging of an improving picture for parts of the office sector and even retail.

Whilst the market appears to be stable, there is undoubtedly already some economic uncertainty in the UK with accelerating inflation due to the increasing cost of living and rising domestic energy and fuel prices. We also need to report that the escalating situation in Ukraine, following the Russian invasion, may affect world economies which in turn could impact real estate markets.

17. Market Value

The subject property is located within an established industrial location, which benefits from good road connections throughout the city and wider region.

The estate is popular, and if units are offered to the market, there is on the whole in good level of demand witnessed. The property offers two self-contained industrial units, together with an adjoining office building. Specification on the whole is adequate for its age and use.

The site is located at the end of Old Lane, and in our opinion, access is relatively awkward, especially for larger vehicles.

The major issue with the property is the long leasehold element, which has only 38.5 years remaining unexpired. This in our opinion would deter a significant number of potential purchasers, simply on account of the risk it poses. The freehold element of the property is effectively land-locked, and all three buildings (in whole or part) form part of the long leasehold element.

However, despite the obvious risk this poses, and the number of potential suitors it would deter, there will always be a market for long leasehold properties – unfortunately though it has to be at the right price to reflect the associated risks that potentially in less than 40 years the keys to the buildings would simply legally have to be handed over to the owner, with all that remaining a land locked industrial site extending to circa 0.70 acres.

In arriving at our opinion of value we have considered the following, although all these are freehold / effective freeholds.

Holbrook Rise, Holbrook Industrial Estate, Sheffield – We are aware that the property was recently purchased for a price of £1,200,000, which by analysis equates to approximately £51.50 per sq ft, if £20.00 per sq ft applied to the mezzanines and £25.00 per sq ft applied to the Nissen Hut. More modern accommodation within close proximity. Larger than subject property.

2 Long Acre Close, Holbrook Industrial Estate, Sheffield – The property, which extends to circa 9,750 sq ft, has recently sold at a price of £460,000, which by analysis equates to £47.30 per sq ft. The unit was formally marketed by BNP Paribas Real Estate. We are aware that the property was offered to the market at £535,000 (£55.00 per sq ft). The property is similar size but more modern, and within a superior site.

315 – 317 Coleford Road, Sheffield – We are aware that the property has recently sold having been formally marketed by Lambert Smith Hampton. The agreed price, which has been confirmed by the agent, is £313,000. By analysis this equates to circa £75.00 per sq ft overall. The agent informs us that the property received 46 enquiries, 23 viewings were undertaken and that 10 offers were received. Located within close proximity to the subject property fronting Coleford Road. The property is a slightly smaller detached warehouse and therefore would command a higher capital value than the subject property.

Love Street, Sheffield – A brick built industrial complex sold in February 2022 for £1,250,000, reflecting £30.00 per sq ft. Circa 40,000 sq ft. Inferior location but offers industrial and office accommodation.

Units 3A, 3B & 3C, Junction 34 Industrial Estate, Greasbro Road, Sheffield – Sold in December 2021 for £912,000. Three industrial units occupied by three occupiers and producing £62,500 per annum. Sale price equates to a yield of 6.5%, although under rented. Equivalent yield in the region of 7.00%.

145 – 147 Carlisle Street, Sheffield – Brick built commercial unit let to a paint suppliers at £36,000 per annum. Sold in October 2021 for £261,000 reflecting 13.5% yield. Long leasehold with only 35 years remaining on the lease. In our opinion the property is over rented at £36,000 pa. Offers a useful comparison on a long leasehold property.

41 Clun Street, Sheffield – Sale of 12,000 sq ft modern industrial unit. Detached and set within secured self-contained yard. Sold in May 2021 for £780,000, reflecting £65.00 per sq ft. Superior accommodation in comparison to subject property.

Hawke Street, Sheffield – A 1960's manufacturing warehouse, which was renovated and refurbished in the 1980's. Extends in total to 118,871 sq ft. Sold in December 2020 for £4,200,000, reflecting £35 per sq ft. Significantly larger than subject property.

Garter Street, Sheffield – Investment sale in December 2020. A private buyer has purchased the freehold interest in Garter St as an investment for £1,500,000. This sale reflects a new initial yield of 8.95%. The property offers a large warehouse extending to 53,456 sq ft, or alternatively £30 per sq ft.

Rutland Business Park, Rutland Road, Sheffield – Multi let industrial estate let to 8 separate occupiers. The estate sold in November 2020 for a price of £825,000. By analysis this equates to approximately 9.5% against the income of £78,600 per annum.

4 Brooklands Way, Dinnington, Sheffield – Sold in July 2020 for £720,000. Modern industrial unit sold as an investment. Let at £57,500 per annum. Totals 13,664 sq ft. Sale price equates to 8.00% yield or £52.70 per sq ft.

Unit 22d, Orgreave Crescent – Sale at the end of 2019 at a sale price of £260,000, reflecting approximately £66 per sq ft. The unit extend to 3,937 sq ft. This was a similar albeit detached unit with yardage which sold following open marketing.

Unit 3, Orgreave Drive - Detached warehouse on corner plot with modern offices when compared to the subject. Secured yard. GIA 3,955 sq. ft. Sold in the November 2019 at a price of £231,000 or £62 psf.

49 Carlisle Street, Sheffield S9 – Sold late 2019. 1960's industrial unit extending to 8,747 sq ft. The property was formally marketed by Crosthwaite Commercial with the purchaser agreeing a sale price of £400,000, which by analysis equates to circa £45.00 per sq ft on an overall basis.

Carlisle Business Park, Chambers Lane, Sheffield – A portfolio sale of 3 modern industrial units in January 2019. The units were between 10,000 to 15,000 sq ft with the average sale price equating to £75.00 per sq ft.

Parkway Industrial Estate, Sheffield – A 32,000 sq ft industrial unit dating from the 1980's sold in January 2019 as an investment. The agreed sale price of £1,525,000 equates to a net initial yield of 7.26% or by analysis a capital value per sq ft of £48.00 per sq ft. Let to Synergy Medical. Larger than subject unit. Established industrial location close to the M1 Motorway. Accommodation totals 19,752 sq ft. Freehold. Devalues to £46 psf.

In arriving at our opinion of value we have adopted the comparable and investment methods of valuation and considered the transactions detailed above. We have considered the location, size and specification of the subject property.

We have also considered the fact that the majority of the buildings are situated on a site which is held on a long leasehold basis, with only 38 years remaining.

Effectively the long leasehold element land locks to the rear site.

In arriving at our opinion of value we have therefore capitalised our opinion of Market Rent (£40,000 per annum) at a yield of 13% for 38 years.

| | | |
|--------------------|---|-------------|
| Current Rent | - | £40,000 (x) |
| YP 38 years at 13% | - | 7.6183 |

This produces a level in the region of **£300,000**.

Alternatively, this can be analysed to circa £27.50 per sq ft on an overall basis, which we feel is a sufficient discount from our opinion of Market Value assuming a single freehold, which we feel could be in the region of £425,000 (circa £40 per sq ft overall).

18. Valuation

The **Market Value** (MV1) of the property; Considering all relevant factors we are of the opinion that the Market Value as at the date of this valuation, in its current physical condition, is fairly reflected in the sum of **THREE HUNDRED THOUSAND POUNDS (£300,000).**

19. Disclosure

In accordance with our standard practice, we must state that the valuation is confidential to the party whom it is addressed.

20. Sign off

The inspection of this property was carried out by Chris Stott, BSc (Hons) MRICS, a fully qualified Chartered Surveyor with over 14 years post qualification experience of undertaking valuations of commercial and residential properties throughout Yorkshire, the Midlands, and the North of England.

The valuer is a Director at SMC Brownill Vickers and has the knowledge, skills and understanding to undertake the valuation competently. The valuer is a member of the Royal Institution of Chartered Surveyors - Membership No: 1185726 and is an RICS Registered Valuer.

Signed for and behalf of:

SMC Brownill Vickers



Mr Chris Stott MRICS



Mr Robin Curtis MRICS

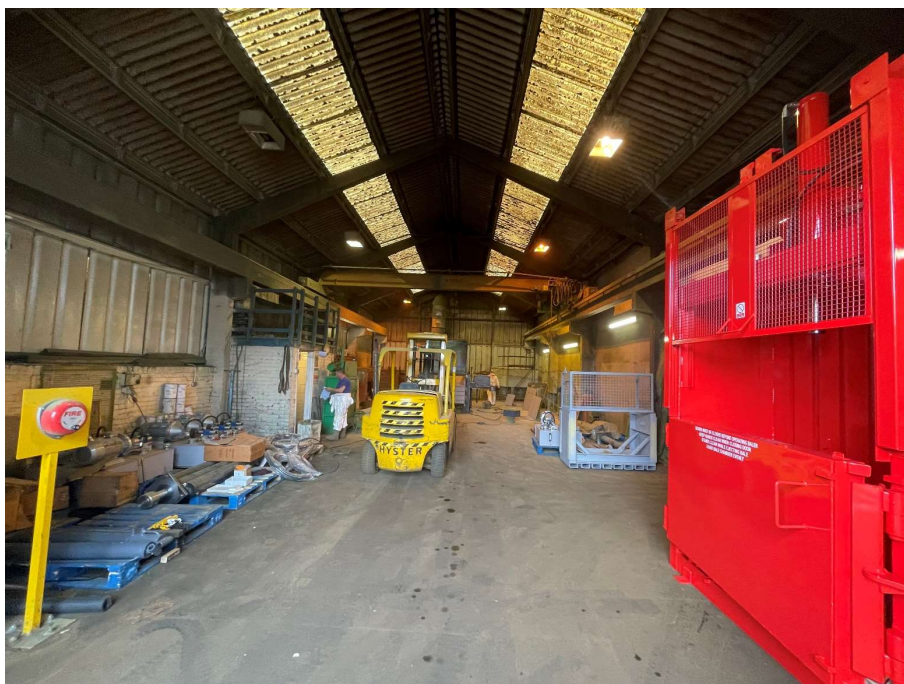
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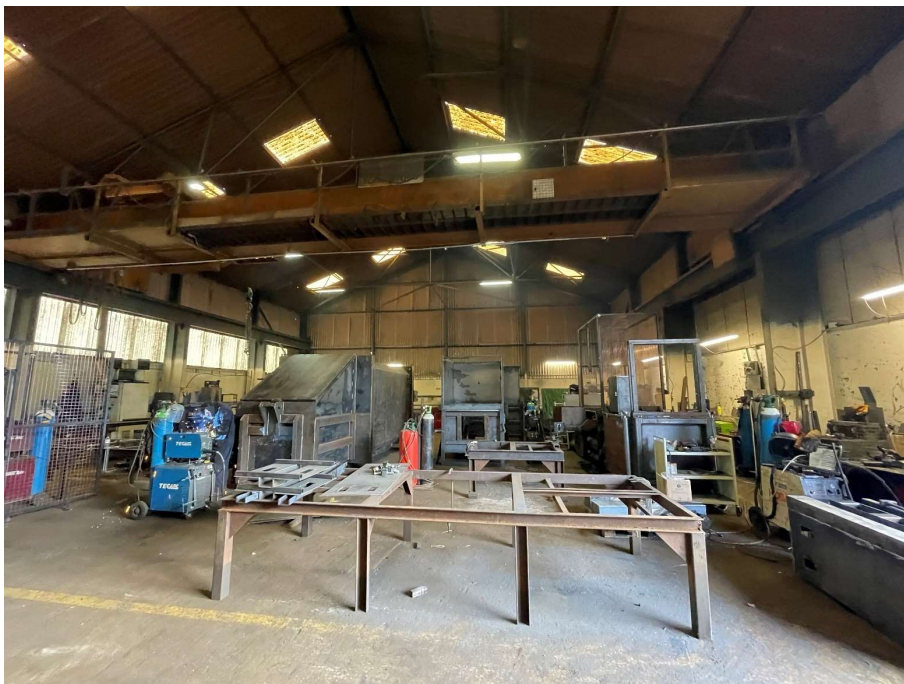
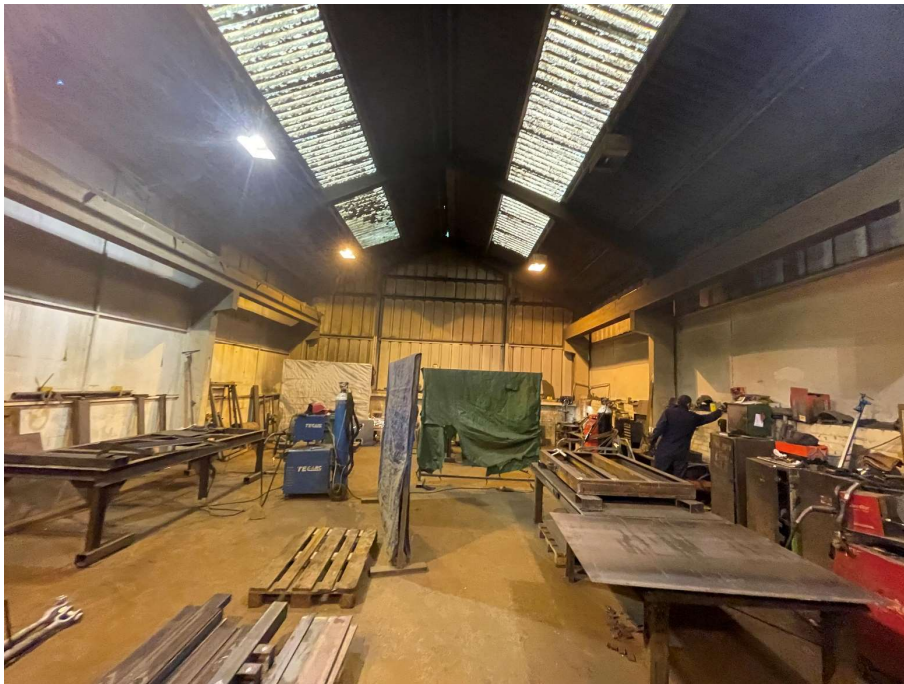


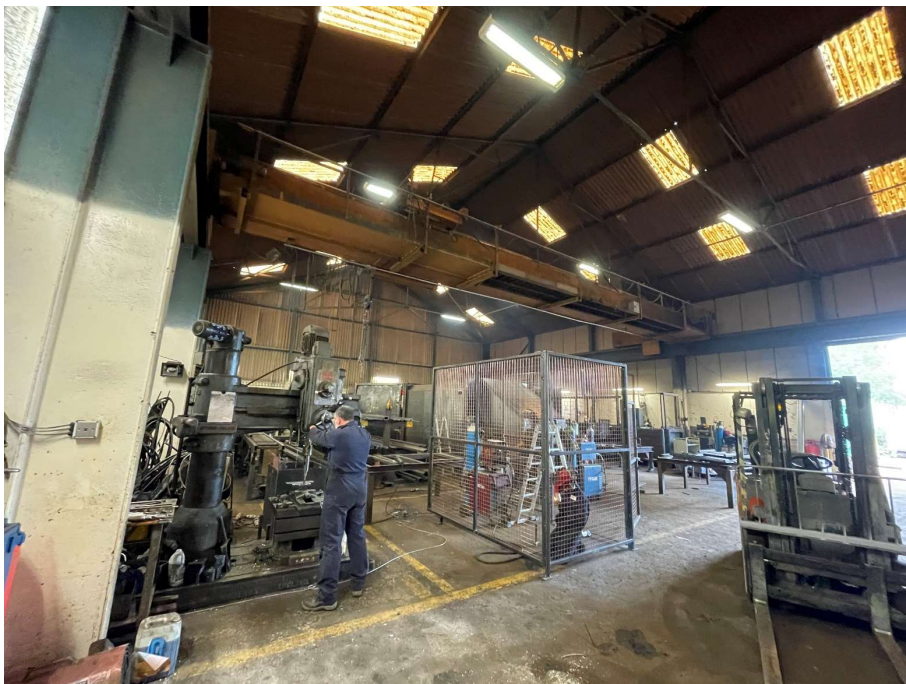
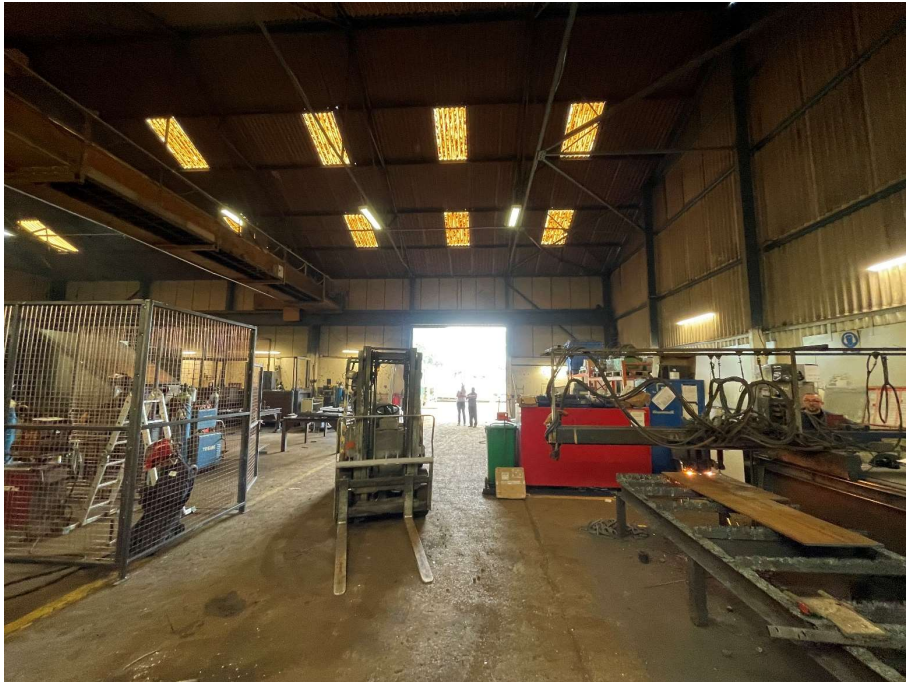
















Location Maps

